



CT FAIR HOUSING CENTER

STATEMENT OF JEFF GENTES OF THE CONNECTICUT FAIR HOUSING CENTER IN SUPPORT OF S.B. 225

Members of the Committee: thank you for allowing me to speak today. My name is Jeff Gentes, and I am the Foreclosure Prevention Staff Attorney at the Connecticut Fair Housing Center, a non-profit organization providing legal resources and assistance to homeowners facing foreclosure. I want to thank Senator McDonald, Senator Kissel, and Representative Lawlor for introducing S.B. 225, An Act Concerning the Duties of a Mortgagee in a Foreclosure Action on Residential Real Property. The Center supports this bill because it could help save the homes of more Connecticut families, and reduce the delay that is so common to the loan workout process.

At the Center we help homeowners resolve their mortgage difficulties by working with their housing counselors, providing advice, representing them in court and in mediation, supporting pro bono attorneys, presenting at homeowner clinics, and publishing and distributing a guide for self-representation. We're on the front lines of a foreclosure crisis that shows little sign of abating. One in 12 Connecticut homeowners is in foreclosure or more than 90 days late on their mortgage, a new high. It's unlikely the local job market will improve this year or next, and today's job losses are tomorrow's foreclosure filings. We also expect the next tranche of toxic loans – this time “resetting” Payment Option ARMs – to lead to at least 1,500 new filings.

To ensure that everyone who can save their home does so, the State of Connecticut and the federal government have created several innovative foreclosure prevention programs, including the country's first statewide foreclosure mediation program. We support reauthorizing and strengthening the Program. But the unrelenting wave of foreclosure filings will strain the Program's resources for the foreseeable future. We must use these resources efficiently.

One of the most common frustrations our clients face is the inability to talk to someone who is responsible for their mortgage account. Each phone call leads to a new person, and the lack of consistent information compounds the frustration. Senate Bill 225 would help reduce the delay inherent to dealing with the inexperienced, undertrained, and overwhelmed servicer staff by requiring that homeowners be provided, at the time foreclosure begins, with contact information for someone responsible for and with authority to resolve their account. Homeowners will be able to start the process before mediation starts and, perhaps, not need mediation – this means fewer mediation sessions and less strain on the Foreclosure Mediation Program.

The Center strongly supports this bill and will work to ensure its passage. Thank you for your time. I'm happy to answer any questions you may have.